Royal Enfield Europe B.V.
Balance Sheet as at March 31, 2026
All amounts are in EUR unless otherwise stated

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	114,010	7,932
(b) Capital work-in-progress	5	213	-
(c) Right-of-use assets	32	628,655	995,786
Total non-current assets		**742,878**	1,003,718
Current assets			
(a) Inventories	6	6,164,258	1,183,765
(b) Financial assets			
(i) Trade receivables	7	206,631	-
(i) Cash and cash equivalents	8	7,608,021	1,408,804
(c) Other current assets	9	380,551	111,195
Total current assets		**14,359,461**	2,703,764
Total assets		**15,102,339**	3,707,482
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	3,500,000	2,000,000
(b) Other equity	11	(181,898)	(702,986)
Total Equity		**3,318,102**	1,297,014
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	32	284,644	673,242
Total non-current liabilities		**284,644**	673,242
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	32	388,599	373,661
(ii) Trade payables	14	9,710,028	1,363,565
(iii) Other financial liabilities	12	539,657	-
(b) Contract liabilities	13	330,573	-
(c) Other current liabilities	15	530,736	-
Total current liabilities		**11,499,593**	1,737,226
Total liabilities		**11,784,237**	2,410,468
Total equity and liabilities		**15,102,339**	3,707,482
Summary of material accounting policies	**3**		

See accompanying notes forming part of the financial statements
As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Eicher Motors Limited

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

Royal Enfield Europe B.V.
Statement of profit and loss for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue from operations	16	14,699,561	-
Other income	17	25,802	-
Total Income		**14,725,363**	-
EXPENSES			
Purchases of traded goods	18	14,961,396	1,183,765
Changes in inventories of traded goods	19	(4,980,493)	(1,183,765)
Employee benefit expenses	20	1,041,854	178,948
Finance costs	22	75,214	12,515
Depreciation expense	21	381,858	107,217
Other expenses	23	2,724,446	404,306
Total expenses		**14,204,275**	702,986
Profit/(Loss) before tax		521,088	(702,986)
Tax expense			
Current tax	24	-	-
Deferred tax	24	-	-
Total tax expense / (credit)		-	-
Profit/(Loss) for the year		521,088	(702,986)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year, net of tax		521,088	(702,986)
Earnings per equity share of EUR 1 each (March 31, 2025: EUR 1)			
(a) Basic	26	0.15	(1.53)
(b) Diluted	26	0.15	(1.53)
Summary of material accounting policies	**3**		

See accompanying notes forming part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Eicher Motors Limited

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

Royal Enfield Europe B.V.
Statement of cash flows for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. OPERATING ACTIVITIES		
Profit/(Loss) before Tax	521,088	(702,986)
Adjustments for:		
Depreciation expense	381,858	107,217
Finance costs	75,214	12,515
Changes in working capital:		
Adjustments for (increase) / decrease in current assets:		
Trade receivables	(206,631)	-
Inventories	(4,980,493)	(1,183,765)
Other current assets	(269,356)	(111,195)
Adjustments for increase / (decrease) in liabilities:		
Trade payables	8,346,463	1,363,565
Other financial liabilities	539,657	-
Other current liabilities	861,309	-
Net cash flows from / (used in) operating activities (A)	**5,269,109**	**(514,649)**
B. INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(121,018)	(8,529)
Net cash flows from / (used in) investing activities (B)	**(121,018)**	**(8,529)**
C. FINANCING ACTIVITIES		
Proceeds from issue of share capital	1,500,000	2,000,000
Interest paid on lease liabilities	(34,448)	(12,515)
Interest paid on bills discounting	(40,766)	-
Payment of principal portion of lease liabilities	(373,660)	(55,503)
Net cash flows from / (used in) financing activities (C)	**1,051,126**	**1,931,982**
Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**6,199,217**	**1,408,804**
Cash and cash equivalents at the beginning of the year	**1,408,804**	-
Cash and cash equivalents at the end of the year	**7,608,021**	1,408,804

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Components of cash and cash equivalents		
Balances with banks:		
In current accounts	2,608,021	1,408,804
In deposit accounts with original maturity of less than three months	5,000,000	-
Total cash and cash equivalents as per balance sheet (refer note 8)	**7,608,021**	1,408,804
Summary of material accounting policies (refer note 3)		

See accompanying notes forming part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Eicher Motors Limited

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

Royal Enfield Europe B.V.
Statement of changes in equity for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated

a. Equity share capital

Particulars	**Number of shares**	**Amount**
Equity shares of EUR 1 each issued, subscribed and fully paid		
As at April 01, 2024	-	-
Changes in equity share capital during the year	2,000,000	2,000,000
As at March 31, 2025	2,000,000	2,000,000
Changes in equity share capital during the year	1,500,000	1,500,000
As at March 31, 2026 (refer note 10)	**3,500,000**	**3,500,000**

b. Other Equity

Particulars	**Reserves and Surplus - Retained earnings**
As at April 01, 2024	-
Loss for the year	(702,986)
Other comprehensive income / (expense) for the year, net of income tax	-
Total comprehensive income / (expense) for the year	(702,986)
As at March 31, 2025	**(702,986)**
Profit for the year	521,088
Other comprehensive income / (expense) for the year, net of income tax	-
Total comprehensive income / (expense) for the year	(181,898)
As at March 31, 2026 (refer note 11)	**(181,898)**

Summary of material accounting policies (refer note 3)

See accompanying notes forming part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
FRN : 301003E/E300005

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

For and on Behalf of Board of Directors
of Eicher Motors Limited

B Govindarajan
Managing Director
DIN: 03093035

Place: Chennai
Date: May 20, 2026

1. Corporate Information

Royal Enfield Europe BV ("the Company") was incorporated on March 21, 2024, the Company, a wholly owned subsidiary of Eicher Motors Limited (Holding Company). The Company is into trading of two wheelers, Spares, Gears and Accessories in Europe. The Company has its registered office at number Reykjavikstraat 1,(Helix building) M.28,3543 KH, Utrecht , The Netherlands.

2. Basis of Preparation

2.1 Statement of Compliance

The special purpose financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These special purpose financial statements are prepared to assist the Holding Company in preparing their consolidated financial statements and filing Annual Performance Report by the holding company with respect to company with the Authorized dealers category – I bank in accordance with the RBI Master direction –Reporting under FEMA Act, 1999 updated as at December 03,2025 issued by the RBI. As a result, the special purpose financial statements may not be suitable for any other purpose. Consequently, these financial statements do not purport to be, and are not prepared to comply with the requirements of the Companies Act, 2013 and include only those disclosures prescribed under the Companies Act, 2013 as the management deems relevant.

2.2 Accounting convention

The special purpose financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements are presented in EUR, which is the Company's functional currency.

2.3 Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Material Accounting Policies

a. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
b. it is held primarily for the purpose of being traded:
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
a. it is expected to be settled in the company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the company does not have an right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

[The space below has been intentionally left blank]

b. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions, that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

[The space below has been intentionally left blank]

c. Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods and services

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, at the time of dispatch from warehouse.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance, Free Service Coupons, etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Trade Receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Provision

Trade receivables are monitored based on their ageing from the due date. Allowance for impairment will be recorded for receivables aged more than 180 days.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

d. Leases

The Company assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Buildings 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

[The space below has been intentionally left blank]

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

e. Foreign currencies

In preparing the financial statements of the Company transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated
Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

f. Employee benefits

Employee benefits include social security and medicare contribution. All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

g. Pensions

Pension fund

The Company provide employee benefits in the nature of pension fund.

The portion of pension fund is contributed to the government administered pension fund which is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service.

[The space below has been intentionally left blank]

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset	Useful life
Office Equipment	3-5 years
Vehicles	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

i. Impairment of non-financial assets

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash- generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods/years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

j. Inventories

Inventories comprising traded goods are stated at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Cost of inventories is determined on a moving average.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

l. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

· When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

· In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

· When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

· In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

[The space below has been intentionally left blank]

m. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

· the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

· the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”) (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

· the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

· the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.
All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

[The space below has been intentionally left blank]

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in the other comprehensive income. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, as defined above.

o. Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period/year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

p. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees-after the reporting period but before the financial statements are approved for issue-not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments have resulted in additional disclosures in Note 15 but have not had an impact on the classification of Company's liabilities.

[The space below has been intentionally left blank]

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

(iv) International Tax Reform-Pillar Two Model Rules - Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's consolidated financial statements as the Company is not in scope of the Pillar Two model rules.

[The space below has been intentionally left blank]

Royal Enfield Europe B.V.
Notes forming part of special purpose financial statements for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated

4. Property, plant and equipment

Particulars	Office equipments#	Vehicles	Total
Cost			
As at April 01, 2024	-	-	-
Additions	8,529	-	8,529
Disposals	-	-	-
As at March 31, 2025	**8,529**	**-**	**8,529**
Additions	49,119	71,686	120,805
Disposals	-	-	-
As at March 31, 2026	**57,648**	**71,686**	**129,334**
Accumulated depreciation			
As at April 01, 2024			
Charge for the year	597	-	597
Disposals	-	-	-
As at March 31, 2025	**597**	**-**	**597**
Charge for the year	9,948	4,779	14,727
Disposals	-	-	-
As at March 31, 2026	**10,545**	**4,779**	**15,324**
Net book Value			
As at March 31, 2026	**47,103**	**66,907**	**114,010**
As at March 31, 2025	**7,932**	**-**	**7,932**

Cost and net carrying amount of office equipments include computers and information systems of EUR 33,642 as at March 31, 2026 (EUR 5,273 as at March 31, 2025) and EUR 26,140 as at March 31, 2026 (EUR 4,807 as at March 31, 2025) respectively.

5. Capital work-in-progress*

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work-in-rogress	**213**	-

As at March 31, 2026

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Other Capital work-in-progress	213	-	-	-	213
Total	**213**	**-**	**-**	**-**	**213**

As at March 31, 2025

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Other Capital work-in-progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 (March 31, 2025 - Nil)

* Capital work in progress comprises office equipment yet to be fully installed.

6. Inventories (At lower of cost and net realizable value)

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Traded goods		
-Two Wheelers [includes in transit EUR 1,124,174 (March 31, 2025 EUR 998,194)]	5,177,243	998,194
-Spares and Accessories [includes in transit EUR 72,489 (March 31, 2025 EUR 185,571)]	987,015	185,571
	6,164,258	1,183,765

Inventories are net of non-moving/slow-moving provisions. During the year GBP 14,296 (March 31, 2025 : NIL) was recognised as an expense in the Statement of Profit and Loss.

7. Trade Receivables

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Related parties (refer note 28)		
Considered good - unsecured	-	-
Others		
Considered good - unsecured	206,631	-
Receivables-Credit impaired	-	-
Sub-total	**206,631**	**-**
Less : Provision for credit impaired receivables	-	-
Total	**206,631**	**-**

Trade receivables ageing

As at March 31, 2026

Particulars	**Outstanding for following periods from due date of payment**						
	Not due	**> 0 < 180 days**	**180 - 365 days**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
Undisputed trade receivables - considered good	206,631		-	-	-	-	206,631
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**206,631**	**-**	**-**	**-**	**-**	**-**	**206,631**

As at March 31, 2025

Particulars	**Outstanding for following periods from due date of payment**						
	Not due	**> 0 < 180 days**	**180 - 365 days**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
Undisputed trade receivables - considered good	-	-	-	-	-	-	-
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes:

(a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
(b) Trade receivables are non interest bearing and are generally on terms of 30-60 days.
(c) For terms and conditions for related party refer Note 28.
(d) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule
(e) The Company discounts certain trade receivables with banks on a non-recourse basis. As substantially all risks and rewards relating to such receivables are transferred to the banks, the receivables are derecognized when the criteria for derecognition under Ind AS 109 have been met.

8. Cash and cash equivalents

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Balances with banks:		
In current accounts	2,608,021	1,408,804
In deposit accounts with original maturity of less than three months	5,000,000	-
	7,608,021	1,408,804

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars		**As at March 31, 2026**	**As at March 31, 2025**
Balances with banks:			
In current accounts		2,608,021	1,408,804
In deposit accounts with original maturity of less than three months		5,000,000	-
Cash and cash equivalents for the purpose of statement of cash flows	Total	**7,608,021**	**1,408,804**

Changes in liabilities arising from financing activities, non-cash financing and investing activities

Particulars	April 1, 2025	Net cash flows	Others*	March 31, 2026
Obligation under lease (refer note 32)	1,046,903	(408,108)	(34,448)	673,243
Total liabilities from financing activities	**1,046,903**	**(408,108)**	**(34,448)**	**673,243**

Particulars	April 1, 2024	Net cash flows	Others*	March 31, 2025
Obligation under lease (refer note 32)	-	(42,988)	(1,089,891)	1,046,903
Total liabilities from financing activities	-	(42,988)	(1,089,891)	1,046,903

Non-cash financing and investing activities

Particulars	As at March 31, 2026	As at March 31, 2025
Acquisition of Right-of-use assets (refer note 32)	-	1,102,406
	-	1,102,406

9. Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advance to suppliers	64,261	25,555
Advance to employees	-	2,328
Balance with government authorities	283,221	77,094
Prepaid expenses	33,069	6,218
	380,551	111,195

10. Equity Share Capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
35,00,000 Equity shares at 1 EUR each	3,500,000	2,000,000
Total	**3,500,000**	2,000,000
Issued, Subscribed and fully paid up		
35,00,000 Equity shares at 1 EUR each	3,500,000	2,000,000
Total	**3,500,000**	2,000,000

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
At the beginning of the year	**2,000,000**	-
Issued during the year	1,500,000	2,000,000
Oustanding at the end of the year	**3,500,000**	2,000,000

The Company has only one class of equity shares having face value of 1 EUR

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

% holding by Eicher Motors Limited as at March 31, 2026: 100% (March 31, 2025: 100%).

11. Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Reserves and Surplus		
Retained Earnings		
Opening balance	**(702,986)**	-
Profit/(Loss) for the year	521,088	(702,986)
Net deficit in the statement of profit and loss	**(181,898)**	(702,986)

12. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Employee dues	49,460	-
Payable to related party (refer note 28)	490,197	-
Total	**539,657**	-

13. Contract liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Advance received from Customers	330,573	-
Total	**330,573**	**-**

ROYAL ENFIELD EUROPE B.V.
Notes forming part of special purpose financial statements for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated

14. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables to related parties (also refer Note 28)	8,528,382	1,192,668
Trade payables to others	1,181,646	170,897
	9,710,028	**1,363,565**

Trade payables ageing **As at March 31, 2026**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled/ Not due*	**< 1 year**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	2,820,137	6,889,891	-	-	-	9,710,028
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**2,820,137**	**6,889,891**	**-**	**-**	**-**	**9,710,028**

* Includes trade payables which are Not Due amounting to EUR 1,947,036 as at March 31, 2026

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Unbilled/ Not due*	**< 1 year**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	1,363,565	-	-	-	-	1,363,565
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**1,363,565**	**-**	**-**	**-**	**-**	**1,363,565**

* Includes trade payables which are Not Due amounting to EUR 1,271,756 as at March 31, 2025

Notes:
(a) For terms and conditions with related parties refer Note 28
(b) 'Trade payables are non-interest bearing and are normally settled on 30-60 day terms.

[The space below has been intentionally left blank]

15. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Statutory remittances (VAT payable)	523,652	-
Others - Reimbursement payable to employees	7,084	-
Total	**530,736**	-

16. Revenue from operations

Revenue from contract with customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of traded goods (recognised at a point in time)		
Two-Wheelers	14,096,111	-
Spare parts, accessories and other allied products	603,450	-
Total	**14,699,561**	-

Reconciling the amount of revenue recognised in the statement off profit & loss with the contracted price

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	15,005,716	-
Adjustments :		
- Trade Discount	306,155	-
	14,699,561	-

Contract balances

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables (refer note 7)	206,631	-
Contract liabilities (refer note 13)	330,573	-

17. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Non-operating income		
Miscellaneous income	2,830	-
Interest received from bank deposits	22,972	
Total	**25,802**	-

18. Purchases of traded goods

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Two wheelers	14,203,419	1,183,765
Spare parts, accessories and other allied products	757,977	-
	14,961,396	1,183,765

19. Changes in inventories of traded goods

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the period		
Traded goods	6,164,258	1,183,765
Sub-total (A)	**6,164,258**	1,183,765
Inventories at the beginning of the period		
Traded goods	**1,183,765**	-
Sub-total (B)	**1,183,765**	-
Net change (B-A)	**(4,980,493)**	(1,183,765)

20. Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	896,162	176,978
Contribution to pension funds	144,629	-
Staff welfare expenses	1,063	1,970
	1,041,854	178,948

21. Depreciation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (refer Note 4)	14,727	597
Depreciation on right to use asset (refer Note 32)	367,131	106,620
	381,858	107,217

22. Finance Costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities (refer note 32)	34,448	12,515
Interest Expense on bills discounting	40,766	-
Total	**75,214**	**12,515**

23. Other Expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Other selling and distribution expenses	831,543	714
Expense related to short term leases	422,923	59,406
Legal and professional charges	316,305	300,075
Travelling expenses	174,196	24,646
Sales & marketing expense	494,189	-
Insurance	83,052	-
Repairs and maintenance	12,159	-
Advertisement	50,421	-
Freight and handling charges	272,283	-
Miscellaneous expenses	67,375	19,465
	2,724,446	404,306

ROYAL ENFIELD EUROPE B.V.
Notes forming part of special purpose financial statements for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated
24. Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
In respect of the current year	-	-
Deferred tax		
In respect of the current year	-	-
Total income tax expense recognised in the current year	-	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/(Loss) Before Tax	521,088	(702,986)
Adjustment of lease	(40,977)	38,602
	480,111	(664,384)
Inocme tax expense calculated at 22.97% (previous year @ 23.75%)	110,269	(157,811)
Non recognition of Tax expense pertain to Previous years	(110,269)	157,811
Income tax expenses recognized in the statement of profit and loss	-	-

Income tax rate :		
Effective tax rate (based on slab rates)	22.97%	23.75%

Brought forward losses for no deferred tax has been recognized are as follows

	As at March 31, 2026	As at March 31, 2025
Tax losses :		
Expiry in 5 years	-	-
No expiry	(653,542)	-
Total	**(653,542)**	-

[The space below has been intentionally left blank]

25. Commitments

The Company does not have commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including agreement in normal course of business. The Company does not have any capital commitments or long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

26. Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Profit/(Loss) for the year as per statement of profit and loss	521,088	(702,986)
b) Equity shares outstanding as at the year end	3,500,000	2,000,000
c) Weighted average number of equity shares (Nos.) during the year	3,372,603	458,904
c) Earnings per share:		
- Basic/Diluted [(a)/(c)]	0.15	(1.53)

27. Segment reporting disclosure

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 "Operating Segments".There are no non-current operating assets outside Netherlands as at March 31, 2026 (March 31, 2025 - NIL).

28. Related party disclosures

a) Names of related parties and their relationship:

Name of related party	Nature of Relationship
Eicher Motors Limited (EML)	Holding Company
Royal Enfield UK Limited (RE UK)	Fellow Subsidiary

b) Key Management Personnel:

Mr. Arun Gopal	Director (w.e.f - March 21, 2024)
Mr. Edgar Kleinbergen	Director (w.e.f - August 27, 2024)
Mr. Parthiv Mehta	Director (w.e.f - November 10, 2025)

c) Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2026	For the year ended March 31, 2025
Eicher Motors Limited	Purchase of traded goods, packing materials	13,721,210	1,183,765
Eicher Motors Limited	Equity contribution	1,500,000	2,000,000
Royal Enfield UK Limited	Purchase of traded goods, packing materials	5,590	-
Royal Enfield UK Limited	Reimbursement of expenses	26,838	8,903
Royal Enfield UK Limited	Sales & marketing support expense	494,189	-
Eicher Motors Limited	Guarantee taken	-	600,000

Balance outstanding

Name of related party	Nature of transaction	As at March 31, 2026	As at March 31, 2025
Eicher Motors Limited	Trade Payables	8,515,690	1,183,765
Eicher Motors Limited	Equity share capital	3,500,000	2,000,000
Royal Enfield UK Limited	Trade Payables	12,692	8,903
Royal Enfield UK Limited	Other financial liabilities	490,197	-
Eicher Motors Limited	Guarantee Outstanding	600,000	600,000

d) Transactions with key management personnel

Particulars	Parthiv Mehta (Director)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term benefits	36,824	-

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company receives a credit period of 30 days with respect to trade payables to REUK.
The Company receives a credit period of 240 days with respect to trade payables to EML.

29. Critical Accounting Judgements and key resources of estimation uncertainty

Use of estimates

The preparation of these special purpose financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the the estimates are recognised in the periods in which the results are known / materialise.

Useful lives of depreciable assets

Management reviews useful lives of depreciable assets at each reporting. As at March 31, 2026 management assessed that the useful lives represent the expected utility of the assets to the company.

[The space below has been intentionally left blank]

30. Financial instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (Lease liabilities as detailed in notes and offset by cash and cash equivalents) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital.

The following table summarizes the capital of the Company:

	As at March 31, 2026	As at March 31, 2025
Lease liabilities	673,243	1,046,903
Less: cash and cash equivalents (refer note 8)	(7,608,021)	(1,408,804)
Net debt	**(6,934,778)**	**1,046,903**
Equity Share Capital	3,500,000	2,000,000
Other equity	(181,898)	(702,986)
Total Equity	**3,318,102**	1,297,014
Gearing ratio (%)	**-209%**	**81%**

30.1. Categories of financial instruments

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
Current		
Trade receivables	206,631	-
Cash and cash equivalents	7,608,021	1,408,804
Financial liabilities at amortized cost		
Non current		
Lease liabilities	284,644	673,242
Current		
Trade payables	9,710,028	1,363,566
Lease liabilities	388,599	373,661
Other financial liabilities	539,657	-

31. Financial risk management objectives and Policies

Financial risk management objectives

The management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. 'The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk relating to trading operations. Market risk exposures are measured using sensitivity analysis.

Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Foreign currency risk

The Company undertakes transactions denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency exposure	**As at March 31, 2026**		**As at March 31, 2025**	
	Foreign currency monetary assets	**Foreign currency monetary liabilities**	**Foreign currency monetary assets**	**Foreign currency monetary liabilities**
GBP	-	506,549	-	-
USD	2,820	-	-	-

Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Change in rate	Effect on profit before tax	Change in rate	Effect on profit before tax
GBP	5%	25,327	5%	-
	-5%	(25,327)	-5%	-
USD	5%	141	5%	-
	-5%	(141)	-5%	-

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	As at March 31, 2026			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liabilities (undiscounted)	-	289,077	-	289,077
Current				
(i) Lease liabilities (undiscounted)	408,108	-	-	408,108
(ii) Trade payables	9,710,028	-	-	9,710,028

Particulars	As at March 31, 2025			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liabilities (undiscounted)	-	697,185	-	697,185
Current				
(i) Lease liabilities (undiscounted)	408,108	-	-	408,108
(ii) Trade payables	1,363,566	-	-	1,363,566

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables, other current assets. None of the financial instruments of the Company result in material concentrations of credit risks. Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end. Trade receivables are non interest bearing and are generally on terms of 30-60 days.

32. Disclosures in respect of Ind AS 116 "Leases".

As a lessee

The Company has lease contracts for various buildings used in its operations. The leases of buildings generally have lease terms between 2 to 6 years. The Company’s obligations under its leases are secured by the lessor’s title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Company does not have any leases with low value.

(i) Movement in the carrying value of the Right to Use Asset

Particulars - Buildings	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	995,786	-
Additions during the year	-	1,102,406
Depreciation charge for the year	(367,131)	(106,620)
Closing Balance	**628,655**	**995,786**

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current liabilities	388,599	373,661
Non Current liabilities	284,644	673,242
Total Lease liabilities	**673,243**	**1,046,903**

ROYAL ENFIELD EUROPE B.V.
Notes forming part of special purpose financial statements for the year ended March 31, 2026
All amounts are in EUR unless otherwise stated

(iii) Movement in the carrying value of the Lease liabilities

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	1,046,903	-
Additions during the year	-	1,102,406
Interest expense	34,448	12,515
Lease payments [Total Cash Outflow]	(408,108)	(68,018)
Closing Balance	**673,243**	**1,046,903**

(iv) Contractual maturities of Lease liabilities outstanding (undiscounted)

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	408,108	408,108
One to five years	289,077	697,185
More than five years	-	-
Total	**697,185**	**1,105,293**

Lease expenses relating to short term leases aggregated to EUR 422,923 during the period ended March 31, 2026 (year ended March 31, 2025: EUR 59,406)

Lease liabilities are recognised at weighted average incremental borrowing rate of 3.92%.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The following are the amounts recognised in statement of profit or loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets	367,131	106,620
Interest expense on lease liabilities	34,448	12,515
Expense relating to short-term leases (included in other expenses)	422,923	59,406
Total	**824,502**	**178,541**

33. The Company does not have any long term contracts including derivative contracts for which there are material foreseeable losses.

34. The Company does not have any litigation during the year or any litigation pending/contingent liabilities not provided for at March 31, 2026.

35. There are no events that occurred after the reporting period.

36. The Company does not have any deferred tax liability and has not recognised any deferred tax asset as at March 31, 2026 on its tax losses as currently there is no reasonable certainty in realisation of deferred tax assets.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
FRN : 301003E/E300005

For and on Behalf of Board of Directors
of Eicher Motors Limited

Sonika Loganey
Partner
Membership No.: 502220

Place: Gurugram
Date: May 20, 2026

B Govindarajan
Managing Director
DIN: 03093035

Place: Gurugram
Date: May 20, 2026